

Program Memorandum Intermediaries

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal A-01-108

Date: SEPTEMBER 6, 2001

CHANGE REQUEST 1824

SUBJECT: The Report of Benefit Savings

This Program Memorandum (PM) is to advise you of the change in conversion factors for FY 2002. Intermediaries utilize conversion factors to determine Medicare Part A workload savings, in order to accommodate changes in home health and skilled nursing facility rates. Chapter 7, section 8, of the Program Integrity Manual will be updated to contain the FY 2002 conversion factors, medical review codes and categories. **You must enter data for FY 2002 by selecting year 1990 in the RBS system. Data may already exist in the RBS system for 1990, so you will have to delete or update the existing record in order to enter the new data for FY 2002. No changes to standard systems are required.**

Conversion Factors for FY 2002

<u>Code</u>	<u>Category</u>	<u>Conversion Factor</u>
1	Hospital PPS	100%
2	Hospital Non-PPS	78.63%
3	Hospital Outpatient	78.72%
4	Hospital Ancillary Charge	62.91%
5	SNF Days Non PPS	\$298.00
6	SNF Outpatient Charges	72%
7	SNF Ancillary Charges	80%
8	ESRD	80%
9	Outpatient PT/Rehab	80%
10	CORF	80%
11	Rural Health Center	80%
12	Other Part B	80%
13	Program Integrity Savings	100%
14	Open Biopsy	\$3,000 per review
15	All Audits	100%
16	SNF PPS & SNF PPS Demand Days	\$298.00
17	SNF Non-PPS Demand Days	\$298.00
18	HHA Skilled Nursing Visit	\$109.21
19	HHA Speech Therapy Visit	\$129.75
20	HHA Physical Therapy Visit	\$119.41
21	HHA Aide Visit	\$49.45
22	HHA Occupational Therapy	\$120.21
23	HHA Medical Social Services Visit	\$175.05
24	HHA DME/Supplies	80%
25	Outpatient HHA (Part B)	80%
26	Hospice	80%
27	CCR Skilled Nursing Visit	\$109.40
28	CCR Speech Therapy Visit	\$129.75
29	CCR Physical Therapy Visit	\$119.41
30	CCR Aide Visit	\$49.45
31	CCR Occupational Therapy Visit	\$120.21
32	CCR Medical Social Services Visit	\$175.05

Use conversion factors to convert charges to costs.

CMS-Pub. 60A

The *effective* date for this PM is October 1, 2001.

The *implementation* date for this PM is October 1, 2001.

These instructions should be implemented within your current operating budget.

This PM should be discarded September 30, 2002.

**If you have questions contact Sandra Latimer, OFM/PIG/DPIO/DMR,
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